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CableVision

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Advertising in Cable: Coming of age from Madison Ave. to Main St.

Leading the week.....11-26

ABC, Capital Cities merger

With plans for the largest U.S. corporate takeover in history outside the oil industry, Capital Cities is faced with the likelihood that it will have to sell its cable systems, which would go a long way in financing the acquisition.

Capital Cities to divest itself of cable systems

CCC's $3.5 billion merger with ABC Inc. is likely to meet with little opposition from the FCC, Justice Department or Congress, but the 20th-largest MSO may well have to unload its 55 cable systems to meet federal restrictions.

CAB conference

CAB will focus the conference around positioning cable as top TV entertainment.

Ohio Bell may wire Cleveland

One of the three groups that turned in proposals to wire Cleveland has an agreement with Ohio Bell to build the system.

Nielsen, Arbitron estimates

A.C. Nielsen estimates 44.6 percent cable penetration while Arbitron assesses 43 percent of U.S. households receive cable.

CBS denies takeover rumors

The broadcast network reacts hastily to a host of rumors that a takeover of CBS is imminent, and its lawyers sit down to talk with Ted Turner, himself a part of such rumors.

Cablevision of Boston

A financial report released by the city's collector-treasurer March 16 recommends that the cable system clean up its own house before the city moves to help alleviate the financial strain.

N.Y. switch to single cable

The New York State Commission on Cable Television approves the switch from dual cable to single cable for the five companies slated to wire more than 2.2 million households in the outer boroughs of New York City.

Sports network parley

Representatives from regional cable sports networks finish their meeting in Florida with a decision to develop a program development task force.

Storer investors plan takeover

Coniston Partners, a group of investors, says it plans to seize control of Storer Communications Inc. and then liquidate the nation's fifth-largest cable MSO.

TCI trade with United

Tele-Communications Inc. agrees to the sale of six Oklahoma systems to United Cable in exchange for 350,000 shares of United stock.

'Business Times' negotiations

Business Times is negotiating with several venture capital companies in an effort to raise additional financing for its operation. Some industry officials speculate the morning business program may be put up for sale or shut down permanently.

Second time around for Florida Power

The FCC, for the second time, finds that Florida Power Corp. charges "unjust and unreasonable" pole attachment fees, this time to Scripps-Howard Cable Services Co. and T&W Cable Co.

Videoconference venture

Black Entertainment launches its videoconferencing venture, Black College Educational Network, producing career opportunity presentations to schools in the South.

Romulus gets on Barden

While in the throes of finalizing a contract for the Detroit cable television franchise, Don Barden must appear before the Romulus City Council for a special hearing to explain construction delays in this suburb.

Oak secures credit line

Oak Industries' campaign to turn around its recent financial fortunes generated some positive momentum last week through the securing of a $15 million, two-year credit line from a Los Angeles investment house.

Group W rate dereg likely in Los Angeles

The company's request for basic rate deregulation, which the Department of Telecommunications recommended the city deny in October, will now more than likely receive a positive recommendation by the department because of construction progress and public access efforts by Group W Cable.

COVER STORY

Interview

CableVision interviews CAB leaders Jack Clifford, Burt Staniar and Bob Alter on industry efforts and future plans for cable advertising.

Review 28

Robert DiMatteo reviews *Reckless Disregard*, Showtime's made-for-pay movie. Tess Harper plays the attorney attempting to prove "reckless disregard."

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ABC Chairman Leonard Goldenson

ABC merger

Cities may be tempted to sell ABC's interest to its partners. The same could be said for Arts & Entertainment, another one-third-owned network that is predicted to break even next year.

ESPN, which is 80-percent-owned by ABC, is a different matter, in the opinion of some analysts. Although the network is expected to show a profit this year, it could suffer because of escalating payments for sports rights.

However, most analysts think the new management will give Video Enterprises a chance and say they probably don't have any preconceived notions about the cable networks. In addition, Capital Cities is known for its traditional "hands off" policy after it acquires new communications properties.

Capital Cities is paying a high price to acquire a company that's nearly four times its size. However, Capital Cities management is legendary in its cost-cutting ability, and Wall Street apparently is confident that the merger can lead ABC to higher profitability. On the first day after the merger was announced, ABC's stock soared to $105, up more than $31 for the day, while Capital Cities' stock climbed $7.50 to $183.50.

Stocks of other communications companies have jumped as well in the last week. Analysts believe this is due in part to the fact that investors now are aware of the substantial discounts such stocks had been trading at, now that attention has been focused on ABC and CBS. While some of this increase may be due to takeover speculation, analysts say stocks of cable companies will be less affected by such speculation, since they traditionally carry a heavier debt load than companies in broadcasting.

—Sally Russell

Capital Cities

"It (the merger) would apparently be in violation of virtually all of our cross-ownership rules on the surface," one FCC official said, indicating that Capital Cities will either be forced to sell off the properties in question or obtain waivers of FCC rules. Divestiture is more likely, according to FCC sources, who note that the commission has been hesitant in the past to award waivers of its cross-ownership provisions. In addition, industry analysts expect that the sale of cable, broadcast and publishing properties will help Capital Cities finance the multi-billion dollar merger.

Capital Cities Chairman Tom Murphy and ABC Chairman Leonard Goldenson were in Washington last week to officially inform FCC commissioners and key members of Congress about the merger, although neither Murphy nor Goldenson submitted a proposal detailing how the new company would comply with federal regulations. FCC officials expect to receive a detailed proposal before ABC's shareholder meeting, tentatively scheduled for early June. The FCC could block the merger by refusing to authorize the transfer of broadcast licenses should the proposal fail to meet the cross-ownership standards.

Justice Department officials also are awaiting a detailed divestiture proposal before examining potential antitrust violations, although a Justice spokesman said that if the Capital Cities/ABC merger meets FCC requirements, it also would likely satisfy the Justice Department. The spokesman also said Justice would not give close scrutiny to the merger until after it is authorized by the FCC and both Capital Cities and ABC have filed a 30-day pre-merger notification.

Congressional officials also took a sanguine view of the proposed merger. Sources within the House Telecommunications Subcommittee said that without evidence of a public policy conflict, the subcommittee would not become involved in the merger. Members of the Senate Communications Subcommittee also foresaw no statutory obstacles that would impede the merger. "I see nothing in the law that prevents this merger," said Sen. Barry Goldwater, R-Ariz., chairman of the communications panel.

Although a Capital Cities official acknowledged that the company "is not yet certain what to divest" or whether it will seek waivers, interest in the firm's 55 cable systems already is building among the major multiple system operators.

—John Wolfe

Top 50 Designated Market Areas ranked by cable TV households

Nielsen Station Index Estimates, February 1985

Rank	DMA	Cable TV HHs February '85
1	New York	2,261,130
2	Los Angeles, Palm Springs	1,589,260
3	Philadelphia	1,116,010
4	San Francisco-Oakland	994,020
5	Boston	849,680
6	Chicago	762,110
7	Pittsburgh	714,610
8	Cleveland	614,590
9	Seattle-Tacoma	587,420
10	Houston	586,300
11	Dallas-Ft. Worth	556,800
12	Detroit	529,530
13	Miami-Ft. Lauderdale	504,590
14	Hartford & New Haven	493,180
15	San Diego	487,660
16	Tampa-St. Petersburg, Sarasota	482,970
17	Atlanta	466,310
18	Indianapolis	386,140
19	Washington, DC	382,270
20	Denver	376,320
21	Orlando-Daytona Beach	364,780
22	Portland, OR	356,180
23	New Orleans	345,210
24	Wilkes Barre-Scranton	338,580
25	St. Louis	338,170

Nielsen estimates 44.6 percent penetration

NEW YORK—A.C. Nielsen Co. has pegged cable penetration at 44.6 percent, totaling 38,018,100 U.S. households, including Alaska and Hawaii, according to its February 1985 estimate. This reflects an 8 percent growth over February 1984.

Arbitron Ratings Co., which released its cable penetration figure for February earlier this month, estimated 43 percent, or 36,463,700 U.S. households, receive cable service. In fall 1984, Arbitron estimated cable penetration at 42 percent, or 35,717,100 homes.

According to a Nielsen spokeswoman, the difference in the ratings companies' penetration estimates is probably a result of differences in methodology. Arbitron, which develops its penetration figure using responses from 404,000 television household diaries, factored in information from February, May, July and November 1984 sweep surveys. The most recent surveys weigh more heavily in the averaging estimates. A.C. Nielsen also uses information culled from its diaries. In addition, it factors in subscriber counts from cable systems around the country, according to the spokeswoman.

An Arbitron spokeswoman said differences in the ratings companies' measured market areas—Nielsen's DMA, or designated market area, and Arbitron's ADI, or area of dominant influence—could also account for the slightly different estimates, although the Nielsen representative said the companies' measured market areas are so close in size that this probably was not a factor.

—Cecilia Capuzzi

Cable services subscriber count

Satellite-fed national services

Basic services

	Affiliates	Subscribers
ACTS Satellite Network	150	2,600,000
Arts & Entertainment	1,700	12,000,000
Black Entertainment Television (BET)	425	8,456,992
Cable News Network (CNN)	7,125	31,413,000
CNN Headline News	2,165	15,282,000
C-SPAN	1,800	20,000,000
CBN Cable Network	5,160	27,168,000
Country Music Television	200	4,500,000
Entertainment & Sports Programming Network (ESPN)	9,317	34,800,000
Eternal Word Television Network(EWTN)	221	2,800,000
Financial News Network (FNN)	11,030	18,000,000
The Learning Channel	656	5,670,000
Lifetime	2,300	24,000,000
Modern Satellite Network (MSN)	500	10,200,000
Music Television (MTV)	3,000	25,400,000
The Nashville Network	2,500	21,225,000
National Christian Network (NCN)	91	1,231,314
National Jewish Television (NJTV)	247	5,569,000
Nickelodeon	3,800	24,200,000
Pacific Cable	NA	NA
Prime of Life	NA	7,500,000
PTL The Inspirational Network	1,145	13,000,000
Satellite Program Network (SPN)	525	11,500,000
Silent Network	242	7,200,000
SIN Television Network†	328	29,261,600
Trinity Broadcasting Network	402	5,382,000
USA Network	4,500	28,600,000
Video Hits One	423	5,500,000
The Weather Channel	1,510	16,131,000
WGN-TV	6,174	15,310,235
WOR-TV	1,263	5,068,440
WPIX-TV	152	1,050,853
WTBS-TV	8,656	33,111,000

Pay services

Bravo (only)	128	109,000
Cinemax	2,100	2,300,000
The Disney Channel	2,300	1,800,000
GalaVision	230	160,000
Home Box Office (HBO)	5,400	14,500,000
Home Theater Network (HTN)	400	300,000
The Movie Channel	2,900	3,200,000
The Nostalgia Channel	30	80,000
The Playboy Channel	538	790,000
The Rainbow Service (American Movie Classics + Bravo)	64	213,000
Showtime	3,200	5,400,000

Audio services

Cable Radio Network	5	300,000
Lifestyle	104	2,267,015
Moody Bible Institute	43	585,578
Satellite Jazz Network	14	828,000
Satellite Radio Network	50	403,000
Star Ship Stereo	3	146
WFMT Chicago	161	1,075,367

Text services

AP News Cable	375	4,300,000
AP News Plus	5	30,500
Cable Sportstracker	4	266,693
Dow Jones Cable News	184	2,455,000
Electronic Program Guide (EPG)	222	4,139,741
Genesis Storytime	18	560,000
Reuters News View	325	3,250,000
UPI Data Cable	450	NA

Non-satellite-fed national services

Bicycled services

	Affiliates	Subscribers
Fuji Network	7	3,759
Nippon Golden Network	7	8,400
Vector Consumer News	12	300,000
Vector Consumer Shopping Guide	17	550,000

Regional entertainment services

Basic services

Atlanta Interfaith	7	131,000
Bay Area Religious Channel (BARC)	6	113,400
Buffalo Sabres Hockey	9	460,000
The Ecumenical Channel	6	148,100
KTVT	46	856,398
Life Newsvision	24	35,000
Madison Square Garden	57	1,800,000
Meadows Racing Network	14	446,000
MetroChannel	1	117,000
Newsday Cable	1	236,000
Texas Cable Network	12	730,000

Pay services

Home Sports Entertainment—Houston/Dallas	68	100,000
Home Team Sports	27	52,000
New England Sports Network	72	29,569
PRISM-Philadelphia	90	373,000
Pro-Am Sports	53	26,000
The Superchannel	NA	NA
SportsChannel (New England)	62	89,000
SportsChannel (New York)	45	398,000
SportsVision (Chicago)	22	101,000
Z-Channel	21	93,210

Announced services

Regional services	Expected Launch
Box Seat	2nd quarter 1985
Dodgervision	4/85

Satellite-fed services	
The Aloha Network	TBA
Apollo Entertainment Television	TBA
The BuenaVision Channel	TBA
The CableShop	3rd quarter 1985
Cabletix	TBA
Comedy Entertainment Network	TBA
The Discovery Channel	5/85
Discovery Computer Network	5/85
Discovery Financial Network	5/85
Discovery Music Network	5/85
Ethnic Radio Networks	2nd quarter 1985
International Business Network	3rd quarter 1985
Kidvid Network	TBA
Magicable	TBA
Movie Time	4/85
Satellite Concert Network	TBA
Star Video Music	TBA
Studioline	4/85
The Work Channel	TBA
TV Decisions	3/85
United Satellite Network	6/85
X'Press	3rd quarter 1985

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision Magazine, Attention Cable Stats, P.O. Box 5208-T.A. 80217.
NA denotes not available.
NC denotes no change.
TBA denotes to be announced.

† Total SIN reach. Spanish-speaking households 3,799,200.
Source: Subscriber and affiliate counts are provided by the program service for International Thomson Communications Inc.

National cable advertising

This chart lists national advertisers on the basic cable networks. Some listings are partial.

A&E
Armour-Dial (N)
AT&T (N)
Baldwin Piano & Organ (N)
Buick (N)
California Dept. of Tourism (N)
Ford (R)
GM (R)
Hormel (N)
Nissan Motors (N)
Paquet French Cruises (N)
Pfizer Pharmaceuticals (R)
Royal Viking Cruise Line (N)
Showtime (N)
The Movie Channel (N)
Time (N)

BET
American Beauty Products (N)
Anheuser-Busch (R)
AT&T (R)
Campbell's Soup (R)
Carson Products (R)
CBS Records (R)
Coca-Cola (R)
Ford Motor (R)
Hershey (R)
J.C. Penney (R)
Kraft (R)
McDonald's (R)
Mobil Oil (R)
Nike (R)
Proctor & Gamble (R)
Pro-Line (R)
Quaker Oats (R)
Sears Roebuck & Co. (R)
Soft Sheen Products (N)
Thompson Medical (R)
Time (N)
U.S. Army (R)
U.S. Postal Service (R)
Warner Lambert (N)
William Wrigley Jr. (R)

CBN Cable Network†
A.H. Robbins
Campbell's Soup
Chevrolet Trucks
Clorox
Continental Baking
Franklin Mint
L.S. Records
Mature Marketing
Nabisco
National Geographic
National Liberty
Newsweek
RCA Records
S.C. Johnson
Security Documents
Suffolk Marketing
Thomson Medical
Time-Life

C-SPAN*
Centel (R)
DuPont (R)
Eastern Airlines (N)
Gannett (N)
GM (N)
M/A-COM (N)
Time (N)

Dow Jones Cable News
American Express (N)
Charles Schwab (R)
Consumer Report (R)
Forbes Stock Guide (N)
Jack Anderson's Washington Letter (N)
Pavarotti (N)
Smithsonian magazine (R)
Standard & Poor's (R)
Zion National Bank (N)

ESPN
Alberto Culver (N)
Arby's (N)
Benjamin Moore Paints (N)
Casio (R)
Eastman Kodak (R)
Ford (R)
Hertz (R)
Isuzu (N)
John Henry shirts (R)
Mazda (R)
McDonald's (N)
Paine Webber (R)
Paul Masson (R)
Porsche (N)
Radisson Hotels (N)
Royal Copiers (N)
TWA (N)
United Airlines (R)
United Parcel Service (R)
Visa (R)
Western Union (N)
Wynn Oil (N)

FNN
Allstate Insurance (N)
Chicago Board of Exchange (N)
Chicago Board of Trade (R)
Emery (N)
Hayes Computers (R)
Hitachi (N)
ITT (N)
Sorg Printing (N)
United Airlines (N)
Xerox (N)
Zion Banking (N)

Modern Satellite Network
American Association of Retired Persons (N)
American Petroleum Institute (R)
Apple Computers (N)
Chevrolet (R)
E.I. DuPont DeNemours & Co. (R)
Embassy of Australia (N)
Hartford Insurance Group (R)
Japan National Tourist Organization (N)
Kikkoman (R)
Kraft (R)
Miller Brewing (N)
Northrup (N)
Revlon (R)
Royal Viking Cruise Line (N)
7-Up (N)
U.S. Chamber of Commerce (R)
Volkswagon of America (N)

SPN†
Air Jamaica
Alexander Oil Color
American Artist magazine
Asia Society
AT&T
Bank Hapoalim
Bayer
Business Times
Casio
Chamber of Enterprise
Chesebrough Ponds
China Beer
Coca-Cola
Cone Thread
Continental Airlines
Dow Jones
El Al
ESTV Tours
Evenflo
Fisher Pen
Gerber
Grolsch Beer
Heinz
Holiday Inns
Kimberly Clark
Los Angeles Bank
National Insurance
New Zealand Meat Exports
New Zealand Railways
New Zealand Tourism Commission
Nikon
Nutrition Center

The Learning Channel
Barron's Report (R)
Charles Schwab (R)
Courage To Be Rich (N)
Living Classics (N)
Malcolm E. Smith (N)
Microwave Cookbook (N)
Scientific-Atlanta magazine (R)
Sports Illustrated (R)
Wall Street Journal (R)

The Silent Network
Campbell's Soup (N)
Hallmark Cards (R)
Lloyd's Hearing Aids (R)
Magnastitch (R)
Solarts (R)

The Weather Channel
American Motors (R)
Bahamas (N)
Chesebrough Ponds (R)
Eastern Airlines (N)
Ford (R)
GM (R)
Italcable (R)
Ixtapa (R)
Kellogg (R)
Kimberly Clark (R)
Lipton (R)
Menley & James (R)
Mexican Tourism (R)
Michelin (R)
Plough (N)
Proctor & Gamble (R)
Prudential-Bache (R)
Ralston Purina (R)
Ramada Inns (R)
Sears Roebuck & Co.(R)
Sterling Drug (R)
United Airlines (R)
Warner Lambert (R)
W.F. Young (N)

R denotes renewal client.
N denotes new client.
*Listing is comprised of both advertisers and program underwriters.
†New and renewal information not available.
Source: Advertising clients are provided by the programs services to International Thomson Communications Inc.